

SENATE BILL REPORT

3SHB 1226

As Reported By Senate Committee On:
Government Operations & Elections, February 23, 2006

Title: An act relating to campaign contribution limits.

Brief Description: Adjusting application of campaign contribution limits.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Schual-Berke, Tom, Haigh, Cody, Fromhold, Jarrett, Hudgins, Conway, Appleton, Flannigan, Murray, McCoy, Lantz, Hasegawa, Williams, Kagi, Ormsby, Morrell, Chase, Dickerson, Kenney and Sells).

Brief History: Passed House: 2/13/06, 58-40.

Committee Activity: Government Operations & Elections: 2/22/06, 2/23/06 [DPA, DNP].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline and Pridemore.

Minority Report: Do not pass.

Signed by Senators Roach, Ranking Minority Member; Benton, McCaslin and Mulliken.

Staff: Diane Smith (786-7410)

Background: The Fair Campaign Practices Act (Act) was enacted following passage of Initiative 134 in 1992. The initiative imposed campaign contribution limits, further regulated independent expenditures, restricted the use of public funds for political purposes, and required public officials to report gifts received in excess of \$50. The contribution limits imposed by Initiative 134 apply only to elections for statewide office and state legislative office. The Public Disclosure Commission (PDC) administers campaign finance laws.

Contribution limits imposed on an individual, a union or business, or a political action committee are an aggregate of \$700 per election to a candidate for state legislative office, and an aggregate of \$1,400 per election to a candidate for statewide office.

Contributions received by an incumbent within 30 days before the beginning of the regular legislative session may not be accepted.

Limits also apply to political parties. State party central committees, minor party committees, and legislative caucus committees may contribute an aggregate of up to \$0.70 per registered voter in the candidate's district for an election cycle. County central committees and legislative district committees may contribute an aggregate of up to \$0.35 per registered voter in the candidate's district. Contributions received from county central committees and

legislative district committees combined may not exceed an amount more than \$0.35 times the number of registered voters statewide to any one candidate.

Administrative rules concerning campaign finance adopted by the PDC may not become effective from June 30th before a general election to the day after the general election.

Summary of Amended Bill: Campaign contribution limits are extended to apply to the following:

- 1) candidates for county office in a county that has over 200,000 registered voters;
- 2) candidates for a special purpose district office in districts authorized to provide freight and passenger transfer and terminal facilities and that have over 200,000 registered voters; and
- 3) candidates for judicial office (Supreme, Appellate, Municipal, District and Superior courts).

Contribution limits imposed for candidates for county office may not exceed an aggregate of \$700 per election from an individual, a union or business, or a political action committee. Limits imposed for candidates for special purpose district offices, the Washington Supreme Court, Court of Appeals, or Superior, District, and Municipal Courts may not exceed an aggregate of \$1,400 per election from an individual, a union or business, or a political action committee. Political party contribution limits also apply.

Contributions to candidates for whom the new limits apply that are received before the effective date of the Act are considered to be contributions for the purposes of campaign contribution limits statutes. Contributions that exceed the limitations and have not been spent by the recipient by the effective date of this Act must be disposed of in accordance with RCW 42.17.095, disposal of surplus funds, except that it may not be held by the candidate for a future election or be used for non-reimbursed public office-related expenses.

The administrative rules adopted under the authority of this Act are not subject to the statutory time restriction on their effective date.

The date of receipt of contributions is determined by the postmark for purposes of the prohibition on receipt of contributions by an incumbent within 30 days of the beginning of the legislative session.

Amended Bill Compared to Original Bill: The third substitute bill applies contribution limitations only to candidates for the Washington Supreme Court and the Court of Appeals. The amended bill adds language that adds candidates for Municipal, District and Superior Courts. The amended bill also specifies the postmark as determinative of the date of receipt for purposes of the prohibition on receipt of contributions by an incumbent within 30 days of the beginning of the legislative session. The emergency clause is removed in the amended bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Port commissioners serve in both executive and legislative roles. Snohomish and King Counties already self-impose limits. There is concern over undue influence and conflicts of interest. Limits have not impeded the ability of candidates for statewide or legislative races to raise money. Extending limits to the courts is a remedial step. Money talks, quite loudly. Money means victory in judicial elections. This bill is in the public interest. It protects the appearance of fairness and public confidence in the judiciary.

Testimony Against: Port races are "down-ticket" races experiencing up to 40 percent drop off by the time the voter gets to the bottom of the ballot. Port races are nonpartisan and candidates do not receive party contributions. A single mailing can cost about \$40,000 in King County. There is a low awareness of port district issues. Limiting contributions will encourage only the wealthy to run for these races.

Who Testified: PRO: William Baker, Judge, Court of Appeals; John Ruhl, King County Bar Association; David Tarshes, Municipal League of King County; Doug Cochran, State Auditor's Office; Salvador Mungia, Washington State Bar Association.

CON: Terry Finn, Port of Seattle.